

May 13, 2003

State Government News Summary



**Prepared by the Budget and Control Board
Office of the Executive Director**



Panel approves \$1.85B for S.C. defense projects

Staff report

The Senate Armed Services Committee on Friday approved a \$400.5 billion budget request for the U.S. military in the coming fiscal year, including \$1.85 billion for programs and projects in South Carolina.

The request, if passed by Congress and signed by President Bush, will provide \$17.9 billion more in nationwide defense spending for the year beginning Oct. 1 than in 2003, U.S. Sen. Lindsey Graham, R-S.C., said in a statement Monday.

Items in the bill affecting the Lowcountry include:

- \$23 million for a Critical Infrastructure Protection Center at the Space and Naval Warfare Systems Center in Charleston;

- \$8.86 million for renovations and repairs of Charleston Air Force Base housing;

- \$6 million for the Joint Warfare System Initiatives, or JWARS, in Charleston. JWARS is an advanced theater-level campaign analysis tool being developed at the Navy's SPAWAR center;

- \$5.1 million for continued development of multi-spectral Barium GaloGermanite glass window technology, an essential component for airborne reconnaissance systems, in Hilton Head Island by Kigore, Inc.

- \$4 million for the procurement of Quadruple Containers, produced by Charleston Marine Containers, Inc.

- Full funding of \$1.7 billion for the Savannah River Site.

Click here to return to story:

http://www.charleston.net/stories/051303/loc_13military.shtml



Posted on Tue, May. 13, 2003

Lexington businessman says he was misled before agreeing to a merger in 2000

By R. KEVIN DIETRICH
Staff Writer

HomeGold's ex-chairman files lawsuit

Alleging fraud and negligence, former HomeGold chairman Ronald J. Sheppard is suing ex-executives of the company he once ran.

The Lexington businessman, who sold his company to HomeGold in 2000 and became its head, claims HomeGold hid its weak financial condition in order to complete the merger.

"Ronnie would not have done this deal if he'd known the true situation" of HomeGold's finances, said Sheppard's attorney, Jim Griffin.

The Richland County lawsuit names as defendants two former HomeGold executives, its former auditor, Elliott Davis, and investment banking firm Raymond James & Associates.

The suit is the latest in the saga of subprime lender HomeGold Financial, which declared bankruptcy in March.

That was days after subsidiary Carolina Investors, which held more than \$250 million in investments from thousands of South Carolinians, failed to open. It also has declared bankruptcy.

Sheppard now runs Emmco LLC, created earlier this year when Sheppard bought most of HomeGold's mortgage business.

State and federal authorities - including the FBI, the Justice Department and the U.S. Securities and Exchange Commission - are investigating Emmco, HomeGold and Carolina Investors. Those companies also have been sued by angry investors.

"It is unfortunate and regrettable that it has come to this," Sheppard said in a statement released through Columbia public relations firm CNSG. "I'd like nothing better than to focus my attention on running Emmco."

Sheppard did not disclose the amount he is seeking, but he said he does not believe his lawsuit will harm the investors in Carolina Investors who are trying to recover their money.

Sheppard ran HomeSense, a private company, in 1999 when he was contacted by a Raymond James executive.

HomeGold, then based in Greenville, asked Raymond James to find a merger partner. Sheppard's company joined HomeGold, and he took its top job and control of its board.

The suit alleges HomeGold misrepresented its financial situation because it:

- Did not have \$30 million in cash it said it had in late 1999
- Failed a pre-merger audit conducted by lenders, which effectively terminated its credit lines
- Lost \$35 million in 1999 but reported a \$1.8 million profit.

In the three years after the merger, HomeGold lost more than \$100 million. Its stock now trades for below a penny a share.

In addition to Raymond James, Elliott Davis employees Gary Rank and Cy Burgess, and former HomeGold executives Kevin Mast and Keith Geddings are also named as defendants.

Officials with Raymond James said they received a copy of the suit Monday afternoon and could not comment. Elliott Davis officials did not respond to a request for comment.

Sheppard did not discover the problems until the merger was complete, Griffin said. Unable to undo the deal, he gave personal guarantees on credit applications to keep the company alive.

Although Sheppard said he first noticed discrepancies within a week of the deal in May 2000, he did not disclose the information to stockholders.

"He had a choice between litigation and trying to make the merger work, and he chose to try and make it work," Griffin said.

Reach Dietrich at (803) 771-8339 or kdietrich@thestate.com.



GreenvilleOnline.com
a service of The Greenville News

[Home](#) • [News](#) • [Communities](#) • [Entertainment](#) • [Classifieds](#) • [Coupons](#) • [Real estate](#) • [Jobs](#) • [Cars](#) • [Custom publications](#) • [Help](#)

Search

Go

Tuesday

Home
News
Business
Sports
Clemson
USC
Furman
Auto racing
High schools
Outdoors
Obituaries
Opinion
Health
Education
Features
Weddings
City People
Nation/World
Technology
Weather
Communities
Entertainment
Classifieds
Coupons
Real estate
Jobs
Cars
Custom
Publications
Help

Former HomeGold CEO files suit against Greenville accounting firm

Posted Monday, May 12, 2003 - 8:14 pm

By Ed O'Donoghue and David Dykes
STAFF WRITERS

The former chairman and chief executive officer of HomeGold Financial Inc. has filed suit against its former Greenville-based accounting firm and others, alleging securities fraud and negligence.

[e-mail this story to a friend](#)

Ronald J. Sheppard, the HomeGold executive who left the company late last year, alleges that Elliott Davis LLP and the other defendants should compensate him for the "disastrous financial losses he suffered as a result" of the merger of his HomeSense Financial with HomeGold in 2000. Sheppard has been named as a defendant in four suits filed by Carolina Investors' depositors.

Sheppard's suit alleges that HomeGold's year-end financial statements "grossly overstated the profitability of the company and were false and misleading." It alleges HomeGold had operating losses of approximately \$136 million in 1997-99 but reported losses of \$44.7 million.

The suit alleges that the defendants "misrepresented the liquidity" of the company by advising Sheppard that HomeGold had \$30 million cash as of Dec. 31, 1999 and a \$100 million warehouse line of credit.

Elliott Davis said Monday it does not believe Sheppard's claims have merit.

Also named as defendants in the Richland County suit were former HomeGold executives Keith Giddens and Kevin Mast; Garry Rank and Cy Burgess, Elliott Davis' partners-in-charge who handled the HomeGold account; and the Raymond James & Associates Inc. brokerage firm.

The suit was filed on Sheppard's behalf by Columbia attorney James Griffin. The suit said that Sheppard's Lexington-based HomeSense mortgage business was worth at least \$15 million at the time of its merger with HomeGold, and that his interest in HomeGold is "practically worthless" today.

Both HomeGold Financial and Carolina Investors, one of its subsidiaries, have filed for Chapter 11 protection in U.S. Bankruptcy Court. According to court documents, Pickens-based Carolina Investors owes approximately 8,000 South Carolina depositors \$278 million.

Giddens and Mast were HomeGold's president and chief financial officer, respectively, at the time of the merger, according to Sheppard's suit. Raymond James was financial adviser to both HomeGold Financial and HomeSense Financial, according to the suit.

Mast, now a senior vice president of finance for a local bank, said Monday, "I don't think it (the lawsuit) has any merit at all."

He added, "It's sad that Ronnie's now trying to blame others for the failure of his business three years after buying it and completely changing the strategy and culture."

Sheppard could not be reached for comment.

Rank, still a partner at Elliott Davis, said, "Under the circumstances, I'm not surprised." He said the suit has been turned over to the firm's legal counsel and he declined further comment.

Todd Mitchell, a member of Elliott Davis' executive committee, said, "We conducted our audit of HomeGold in accordance with generally accepted accounting principles."

He added, "We stand behind our work and do not believe the claims made against Elliott Davis and its shareholders and employees in the complaint that was filed by Mr. Sheppard have any merit."

According to documents filed with the Securities and Exchange Commission, HomeGold replaced Elliott Davis as its auditor on Oct. 11. The accounting firm, according to SEC filings, had expressed doubt about HomeGold's ability to continue as a going concern.

Neither Giddens nor Burgess couldn't be reached for comment.

Sheppard became president and CEO of HomeGold in May 2000 after the merger of his private HomeSense with HomeGold Financial. The merged companies kept HomeGold's name and its status as a publicly traded company.

According to documents filed with the SEC, he resigned his HomeGold positions prior to the end of 2002, and formed Emmco LLC as of Dec. 31.

He was listed as HomeGold's largest individual shareholder with more than 6 million shares of the company's common stock. The stock hasn't traded since HomeGold filed for Chapter 11, with its last trade at \$0.005 per share.

Sheppard was paid \$451,923 in salary and a \$900,000 bonus by HomeGold in 2001, according to SEC documents.

HomeGold was a specialty finance company whose primary line of business was originating, selling and servicing sub-prime first- and second-lien residential mortgages. Its business was funded through loans from Carolina Investors, which sold notes and subordinated debentures to its depositors, according to SEC documents.

On Dec. 31, HomeGold completed the sale of the majority of the assets of its retail mortgage division to Emmco.

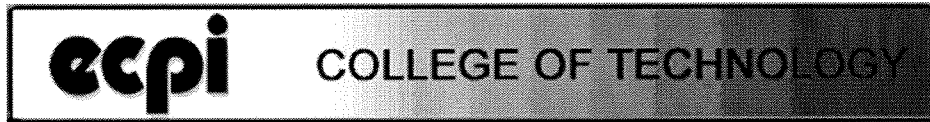
The purchase price consisted of \$150,000 cash, a \$35 million, 8 percent cumulative preferred capital interest in Emmco and a non-voting economic interest in the company, according to SEC documents.

In connection with the purchase, R-Doc, another company organized by Sheppard, borrowed \$5 million from HomeGold and also purchased from HomeGold a Lexington office and vacant land for approximately \$3.4 million, according to SEC documents.

R-Doc's promissory note of \$8.4 million is secured by the company's assets, except the acquired real estate, the documents show.

The FBI, the Department of Justice and the SEC have joined the state's investigation of

the collapse of Carolina Investors to help determine if civil and criminal laws were broken, according to state Attorney General Henry McMaster.



[news](#) | [communities](#) | [entertainment](#) | [classifieds](#) | [real estate](#) | [jobs](#) | [cars](#) | [customer services](#)

Copyright 2003 [The Greenville News](#). Use of this site signifies your agreement to the [Terms of Service](#) (updated 12/17/2002).



MyrtleBeachOnline.com

Posted on Tue, May. 13, 2003

USC president plots goals, reaches out in first year

The Associated Press

'Dr. Sorensen hasn't promised anything, but he's established dialogue and worked hard to establish trust. He's convinced me he's genuine, and I trust him. I think he's been a breath of fresh air.'

S.C. Sen. Darrell Jackson | D-Hopkins

Andrew Sorensen showed how he would lead by example on his first day as president of the University of South Carolina.

On that day, he cut three staff positions from his office. He said he expected other administrators to do the same during tight budgetary times.

In the ensuing months, Sorensen unveiled a plan to build a 5 million-square-foot research campus, transform the university into a world-class institution and solidify its position as the state's academic flagship by working to improve the lives of all South Carolinians.

"Many of us underestimated his energy level and underestimated his capacity to deal with multiple functions," USC board of trustees Chairman Mack Whittle said.

Now, after Sorensen laid the groundwork for his presidency with good will and ambitious goals, trustees expect him to deliver tangible results in his second year.

"Andrew's challenge is to take us from a desire to be an outstanding institution to actually being an outstanding institution," said trustee Herb Adams.

The lofty plan of the research campus isn't the only ambitious goal Sorensen has set. Others include raising the median SAT scores of entering students, maintaining racial diversity and providing housing for all freshmen - all particularly tough in the state's tight budget times.

But Sorensen is working more than full time to reach his goals. He says he has a "Type A" personality. He gets up before dawn, rides his bike around campus and doesn't quit until evening. He personally answers e-mails and writes most of his own speeches.

Southern historian and USC professor Walter Edgar, who came to the school in 1972, said Sorensen's attitude is infectious.

"I can say despite the budget situation, the campus is very upbeat, and that has to do with Sorensen's

energy," he said. "People are getting the message and going out there and performing at new levels."

That enthusiasm and energy hasn't been restricted to work at the Columbia campus. In three months, Sorensen visited all 46 S.C. counties.

He met with business leaders, social clubs and rural and minority high-school students. "I want to tell some of these kids who may have never heard it before, much less from a college president, that they can go to the University of South Carolina if they work hard," Sorensen said when the tour began in September.

He also has reached out to the presidents of Columbia's other schools, organizing the first meeting of the heads of USC, Columbia, Midlands Tech and Benedict colleges and Allen University.

Sorensen also has tried to heal the relationship between USC and blacks, including the school's expansion into many of the city's black neighborhoods over the years.

"Dr. Sorensen hasn't promised anything, but he's established dialogue and worked hard to establish trust," said state Sen. Darrell Jackson, D-Hopkins, who is black. "He's convinced me he's genuine, and I trust him. I think he's been a breath of fresh air."

An ordained Presbyterian minister, Sorensen has been a guest preacher at Jackson's Bible Way Church of Atlas Road in Columbia and several others. He also has invited local clergy to USC social gatherings.

But Sorensen has not gone his whole first year without some criticism.

Faculty members in the liberal arts worry about the push toward science-based research that generates dollars.

Sorensen says federal grants, like those doled out by the National Institutes of Health, are the only way USC can combat state budget cuts.



Finish session on time

The possibility of an extended legislative session should be too mortifying for the General Assembly to consider. The Senate should get down to business and finish work on the state budget so that a costly extended session won't be required.

Legislative leaders say it may be necessary to continue the session after the normal June 5 date for closing because of the tough decisions that remain to be made on the budget. But the state's financial difficulties haven't been any surprise this year and shouldn't require more legislative days to resolve.

Paying \$25,000 a day for continued legislative discussion is unacceptable in view of the cuts being sustained by state agencies and programs because of a decline in state revenue. The Legislature should have set an example this year by ending the session early, and saving money. Making that task easier is the fact that the state's regular legislative session already is one of the longest in the region.

Senators got off track on the budget last week when their attention was diverted by reapportionment, according to The Associated Press. Unfortunately, their change of focus was hardly surprising since the way district lines are drawn greatly affect the political future of legislators.

The budget isn't the only legislative matter that still needs attention. The Legislature should finish its work on a predatory lending bill that provides meaningful safeguards for consumers. It also should complete a reform of the Public Service Commission that has been under discussion since last year. In both cases, the Senate has provided the better plan.

It's been a tough year to be a legislator because of lingering budget problems associated with the economy. Some agencies already have endured major cuts, and can expect more. The budget difficulties have been compounded by the task of finding sufficient revenue for Medicaid, in order to retain a maximum level of federal support for the program that provides health care to 800,000 South Carolinians.

But the Legislature will suffer a decline in public confidence if it can't finish up its regular business in a timely manner. It won't get any easier after June 5 to make the tough decisions that a difficult budget year demands.

Click here to return to story:

http://www.charleston.net/stories/051303/edi_13edit1.shtml



[Home](#) • [News](#) • [Communities](#) • [Entertainment](#) • [Classifieds](#) • [Coupons](#) • [Real estate](#) • [Jobs](#) • [Cars](#) • [Custom publications](#) • [Help](#)

Search

Go

Tuesday

Home

News

Business

Sports

Clemson

USC

Furman

Auto racing

High schools

Outdoors

Obituaries

Opinion

Health

Education

Features

Weddings

City People

Nation/World

Technology

Weather

Communities

Entertainment

Classifieds

Coupons

Real estate

Jobs

Cars

Custom

Publications


Help

Senator sees new hope for legal tattooing

Posted Monday, May 12, 2003 - 6:26 pm

By Paul Alongi
STAFF WRITER
palongi@greenvillenews.com

State Sen. Jake Knotts accompanied a South Congaree police officer into an illegal tattoo parlor and didn't like what he saw.

 [e-mail this story](#)

"It was a nasty, nasty, nasty house," said Knotts, a West Columbia Republican.

Knotts, a leading opponent of tattoo parlors, said he's lost faith in the justice system's ability to stop outlaw tattoo artists, so he will no longer fight legalization efforts.

The change has given new hope to state Sen. Bill Mescher, a Pinopolis Republican pushing a bill that would legalize and regulate tattoo parlors. Mescher, who has been fighting to legalize tattooing for years, said he's concerned about unhealthy conditions in outlaw parlors.

He said four previous bills have been defeated in the House, but his fifth effort could be different, if other lawmakers' follow Knotts' example.

South Carolina and Oklahoma are the only states that ban tattooing.

Mescher's bill would require tattoo artists to use sterile needles, gloves and towels. Parlors would be licensed by the state Department of Health and Environmental Control.

The minimum age for getting a tattoo would be 18 unless parents give permission in person or in writing. Tattoo artists would have to be at least 21.

It would be illegal to tattoo anyone impaired by alcohol or drugs. Tattooing the face, neck and head would be prohibited.

If state lawmakers pass the bill, the legal footwork wouldn't end there. To get a license, parlors would have to produce a document showing that local governments have authorized tattooing.

Mescher said he has high hopes the Senate will pass the bill this year or early next year, as it has in previous years. But the House, busy with the budget and reapportionment, won't be able to take action until next year, he said.

"It will be a little late this year to be taken up by the House," Mescher said. "But hopefully they will pass it next year."

House speaker David Wilkins, R-Greenville, said he didn't expect the House to take up the tattoo bill this year. It's an open question for next year, he said.

"I think most of us have an open mind," said Wilkins, who has voted against tattoo legislation in the past. "We'll see what safeguards are in the bill and what exactly the regulations are."

Chris Barbrey, manager of Purple Haze, said the Pleasantburg Drive store would welcome an opportunity to offer tattoos. The store, which does piercing, sends several potential customers a day to North Carolina where tattooing is legal, he said.

"It would be great," Barbrey said of legalized tattooing. "More money for us."

Mescher said tattoo artists have told him the state's demand for tattoos would allow no more than about 100 parlors. The cost of a license would be enough to monitor parlors, he said.

"I don't think it's supposed to be a money-maker," Mescher said.

Knotts, a former police officer, started his campaign against tattoo parlors when he was in the House. Knotts switched chambers after winning a special election in April 2002.

South Congaree Police Chief Jason Amodio said Knotts was shown an illegal tattoo parlor after a bust in October 2001.

An incident report says a man who had been arrested for driving with a suspended license tipped off officers about an illegal tattoo parlor on Edmond Highway.

The man and an officer went to the house on the evening of Oct. 3, 2001 and found the suspected tattoo artist sitting on a couch watching television, the report says. The suspect gave the officer three tattoo books, the report says.

The officer picked out a tattoo and haggled to get the price down to \$60, the report says. After the suspect put the money in his jeans pocket, officers arrested him, the report says.

Knotts has cited the Bible in his opposition of tattoos. He said his feelings about tattoo parlors haven't changed.

"I still think that tattoo parlors are not good for South Carolina," he said. "But I do think that the courts have failed."

Lisa Bullington, 24, said she has gone to Asheville, N.C. for the tattoos on her neck and back. She said she's thinking about getting inked with a pair of angel wings, so she supports lifting the ban.

"I think it's awesome," Bullington said. "People are going to have it done regardless."

Mescher said last year he watched Knotts walk the floor of the House, persuading fellow legislators to vote against the tattoo bill.

"People say, 'Well, how can we legalize tattooing? We don't want to have that in South Carolina,'" he said. "It's already here."

Calvin Sullivan, 20, a local waiter, is not into tattoos but he believes in the rights of others to get them. He said people will continue to cross the border into North Carolina to get tattoos, if South Carolina doesn't legalize it. So, he's for the bill.

"Either way, it's going to happen," he said.

MyrtleBeachOnline.com

Posted on Tue, May. 13, 2003

Surfside dentist in S.C. Senate race

By David Klepper
The Sun News

Local dentist Ray Cleary is running for the recently redrawn S.C. Senate seat that would include portions of Horry, Georgetown and Charleston counties.

Cleary, a Republican, has practiced dentistry in Surfside Beach since 1975. His time living and working on the South Strand has given him an understanding of the pressures of growth, he said. He and his wife, Lisa, now live in Murrells Inlet.

"You have to do a balancing act," he said. "We all moved down here because of the quality of life. We don't want to lose it, but you can't ignore growth."

Transportation, education and fiscal conservatism are Cleary's other top issues.

"We need to spend money like we're borrowing it from the taxpayers every day," Cleary said.

The reapportioned seat still needs the approval of the S.C. House of Representatives and the U.S. Justice Department.

The seat is now held by Sen. Arthur Ravenel, R-Mount Pleasant, who has said he may not run again.

The primary is in June 2004, with a general election that November.

Almost half of the redrawn district would lie in Horry County.

Acting Horry County Council Chairman Terry Cooper has said he is considering a run for the Senate seat but will not officially decide until November.

Several other local residents are rumored to be interested in the seat.

Cleary, who has never been elected to office, said his involvement demonstrates his dedication and commitment to the community.

"I don't consider my lack of political experience a negative," Cleary said. "In fact, it may be a positive."

Born in Cincinnati, Cleary went to Ohio State University before enlisting in the Air Force. He was stationed at Shaw Air Force Base before moving to the Grand Strand.

Cleary serves as chairman of the Dental Hygiene Committee at Horry-Georgetown Technical College and has served as past president of Grand Strand YMCA and past president of the South Strand Business Association. He has also been active in the Boy Scouts, the Myrtle Beach Area Chamber of Commerce, the Better Business Bureau, South Strand Sertoma, Surfside Rotary Club and the Parent-Teacher Association.

He also served as past president of the S.C. Dental Society, fourth district.

In addition to his dental practice, Cleary is a founder and chairman of Beach First National Bank, founder and director of Waccamaw State Bank, and an advisory board member of Anchor Bank.

He and his wife have six children.

Contact **DAVID KLEPPER** at 626-0303 or dklepper@thesunnews.com.

© 2003 The Sun News and wire service sources. All Rights Reserved.
<http://www.myrtlebeachonline.com>



Posted on Tue, May. 13, 2003

Beasley given prestigious Profile in Courage Award

Ex-S.C. governor honored for stance on Confederate battle flag in 1996

LAUREN MARKOE
Washington Bureau

BOSTON - Former Gov. David Beasley accepted one of the loftiest prizes in public service Monday for his stand on the Confederate battle flag.

That stand - which critics on both sides of the divisive issue were more inclined to characterize as waffling - contributed to his early political demise.

The first South Carolinian to receive the prestigious John F. Kennedy Profile in Courage Award "rose to the challenge of prejudice and bigotry despite risk," said U.S. Sen. Ted Kennedy, D-Mass.

The John F. Kennedy Library uses the annual award to recognize public officials who exemplify political courage - the virtue President John F. Kennedy celebrated in the book he wrote as a senator in 1957, "Profiles in Courage."

The Republican Beasley favored keeping the flag atop the State House while running for governor in 1994. Two years later, he called for it to be removed. In 1997, he gave up the fight altogether.

His initial change of heart drew the wrath of flag supporters, and his poll numbers dropped precipitously.

"All the consultants said, 'Wait until after the (1998) election,'_" Beasley said. "In issues like this, someone historically has always had to pay the price. To me, it was a price worth paying. That's what leadership is all about."

JFK's daughter, Caroline Kennedy, presented the 14th annual award - a lantern called a "beacon of hope" - to Beasley and two Georgians who also spoke out on racially charged issues:

- Former Gov. Roy Barnes, a Democrat who led the effort to diminish the size of the Confederate battle emblem on his state's flag
- Former state Rep. Dan Ponder Jr., a Republican and self-described ultra-conservative, who delivered a speech confessing his own boyhood prejudices, which led to the passage of Georgia's first hate crimes bill in 2000.

Beasley left office after he lost to Democrat Jim Hodges in 1998.

He came to the library overlooking downtown Boston on Monday with his wife, Mary, their four young children and 10 other family members and friends.

Tanned and upbeat, the 46-year-old Beasley reprised part of the speech he delivered in South Carolina in 1996:

"A flag should be a symbol that unites all those standing below it, . . . one that every South Carolinian can look up to with respect, admiration and the unshakable knowledge that the flag flies for them."

The Confederate battle flag, which had flown above the State House since 1962, is considered by many blacks and others as a symbol of racial hatred. Flag supporters call it a symbol of their heritage and a testament to the bravery of Confederate soldiers.

The Legislature voted in 2000 to move the flag to a Confederate monument on the State House grounds. The state NAACP has continued its economic boycott of the state, seeking the removal of the flag entirely from the State House grounds.

Beasley was hardly heralded throughout South Carolina for his call for the flag's removal. Neither was the news he would receive the Profile in Courage Award met with widespread fanfare.

"I don't think he invested a great deal of political capital to make it happen," said state Rep. Joe Neal, D-Richland, a staunch flag opponent. "When he received opposition, he appeared to retrench. Here we are now; he's given this award for political courage."

On the other side of the flag battle, Frances Bell, state director for the Council of Conservative Citizens, called Beasley a promise-breaker, not a profile in courage.

"He campaigned that he would leave it on the dome," she said. "He even signed a petition from the Council of Conservative Citizens when he was campaigning. He was just wishy-washy."

"He should have honored his word instead of lying."

Beasley, now working for his family's banking business in his native Darlington County, said he knows some South Carolinians are not applauding his award.

"You're always Monday-morning quarterbacking," he said. "The fact is, nobody had ever done it before."

Past recipients of the award include former President Gerald Ford, U.S. Sens. John McCain and Russell Feingold, U.S. Rep. John Lewis, U.N. Secretary General Kofi Annan, and America's public servants who responded to the Sept. 11 terrorist attacks.

Reach Markoe at (202) 383-6023 or Imarkoe@krwashington.com



Posted on Tue, May. 13, 2003

S.C. NAACP to honor four at banquet

Annual Freedom Fund Celebration recognizes civil rights leaders

From Staff Reports
Copyright The State

Attorney John Roy Harper II will be one of four key honorees Friday at the state NAACP's annual Freedom Fund Celebration.

Harper, a former attorney for the civil rights organization, is being given a special lifetime achievement award.

The banquet, in its 25th year, is held annually to recognize the efforts of S.C. residents who fought for school integration in the early part of the 20th century.

Briggs v. Elliott, a Clarendon County lawsuit, challenged the separate but equal legal doctrine that kept public schools segregated. The case was merged with others that later resulted in the landmark 1954 U.S. Supreme Court case integrating public schools.

The theme for Friday's event is NAACP: Having Our Say.

Harper, 63, has been involved in public life and outspoken throughout his career. The former Richland County Council member is ill and undergoing treatment for lung cancer. It's unclear if he will attend Friday's event.

A lifelong member of the National Association for the Advancement of Colored People, he was the organization's general counsel for South Carolina in the 1980s and early 1990s. He is on its executive board.

Also honored Friday will be state Rep. Joe Neal, D-Richland. Neal will receive the Presidential Citation for Political Courage.

Neal has been an advocate for reform of predatory lending practices that target low-income borrowers with high-interest loans.

Also, while Neal was chairman of the Black Caucus of the S.C. General Assembly, the caucus published the "Resource Reader for S.C. Black Leaders," a compilation of research on issues that affect the black community.

"Part of the problem we have as a community is that we do not have information on what is impacting us," Neal said.

The Presidential Citation for Academic Excellence will go to LaVerne Lebby Davis. Davis, a native of Denmark, is principal of St. Helena Elementary School, the only school on the rural sea island of St. Helena.

Davis has helped turn around the academic performance of the Beaufort County school and helped it

become a focal point for the community, the organization said in citing Davis' work.

"I am humbled and grateful to know that what I enjoy doing -- good, old-fashioned hard work -- has made such an impact," Davis said.

The Rev. Richard F. Dozier, pastor of Northminster Presbyterian Church in North Columbia, will receive the Presidential Citation for Civic Leadership.

Dozier is president of the S.C. Christian Action Council, an ecumenical organization of 17 denominations that helps residents in need.

His home church is where his heart is, though.

"My great love is for the people who make up this parish," he said. "They never allow me to have any uneventful days . . . nor non-repentant Sundays."

Friday's featured speaker will be Patricia Russell McCloud, a professional motivator and speaker. In 1998, Black Enterprise Magazine named her one of the top five business motivators in the country. Over the past four years, she has made Ebony Magazine's list of most influential people in the United States.

Performers will include the contemporary gospel recording artists the Wright Family, originally of Andrews, and baritone Maxie Burton of Greenville.

MyrtleBeachOnline.com

Posted on Tue, May. 13, 2003

THE SUN NEWS

EDITORIAL

CCU Tuition Hits Point of Diminishing Returns**Politicized S.C. higher-ed funding system wallops our hometown university**

Thanks to the S.C. General Assembly's failure to tackle one of the most wasteful segments of state government, higher education, students at Coastal Carolina University face dramatically higher tuition costs next fall. For this, some students and their parents may blame the university's board of trustees, which last week approved a 19 percent tuition boost for S.C. students and a 9 percent boost for out-of-state students. But this would be short-sighted and unfair.

The root problem is that the allocation of state money to support state universities and technical colleges is politically determined. Coastal and its next-door neighbor, Horry-Georgetown Technical College, like their home community, are experiencing growth booms. Each new student places a strain on faculty members and campus facilities - dorms, labs, classrooms, parking lots, etc.

Lottery-funded scholarships to some students don't come close to meeting these cost pressures. Coastal President Ron Ingle and his staff plan a major fund-raising campaign - a great idea. But that won't offset the fundamental inequity that's hurting the university: Legislators apportion proportionally more money per student to slower growing S.C. colleges and universities. How much a given school gets is pretty much a function of its clout with legislators.

Couple that way of doing the business of public higher education with the sheer volume of colleges and universities to be helped:

Thirteen four-year universities, plus four two-year branches of the University of South Carolina;

Sixteen technical colleges; and

S.C. private colleges, which also get varying levels of state support.

So it's no wonder Coastal trustees balanced the budget for the coming school year by asking students to pay higher tuition costs. The other option, cutting faculty, staff and maintenance budgets, was unacceptable when the school is under pressure to improve the quality of its academic offerings.

During the 2002 gubernatorial campaign, candidate Mark Sanford, who won the election, noted the inefficiency of the S.C. higher-education system. "The bottom line," he wrote in his platform, "is that reform is needed because funding for higher education has grown in real terms. ... [Y]et many parts of the overall system are uncoordinated and as a consequence, higher education in South Carolina is not meeting its potential."

Sanford saw as the solution upgrading the S.C. Commission on Higher Education from a coordinating board to a governing board with broad powers to execute higher-education budgets. He chose not to press for that reform this year - probably a wise choice, as money is unusually tight and legislators have other Sanford reform proposals on their plates.

But Grand Strand residents have special reason to hope that higher-education funding reform moves to the top of Sanford's list - soon. The community is depending on Coastal and HGTC to take more visible and forceful roles in economic development and cultural enhancement. That takes money - and with last week's increase, Coastal trustees have reached the point of diminishing returns on tuition increases.

© 2003 The Sun News and wire service sources. All Rights Reserved.
<http://www.myrtlebeachonline.com>



Posted on Tue, May. 13, 2003



Protect public from legal loan sharks

LAST WEEK, TWO DOZEN lobbyists representing lenders swarmed the State House, bending the ears of lawmakers working on an anti-predatory lending bill.

Some lenders brought folks in from out of state to address the conference committee in an attempt to get key provisions left out of the bill aimed at protecting consumers. One came from Atlanta. Another, who came from Pittsburgh, said he flew in on less than a day's notice. The inordinate amount of time and money lenders are spending in an attempt to get this bill watered down is troublesome. What are they afraid of?

Why would legitimate lenders have a problem with a law that would require mandatory counseling for high-cost loans and hold mortgage brokers responsible for working in the best interest of borrowers? Why would they have a problem with limiting repeated refinancing? Why would title lenders be so afraid of lawmakers' weak proposals to limit the number of times lenders can roll over short-term loans in an effort to keep people from paying through the nose and still losing their cars in the end?

The answer seems clear: Predatory lenders are making tons of cash by ripping off poor and elderly people through high-cost loans. South Carolina consumers are losing millions upon millions of dollars to unscrupulous lenders each year as they are submitted to repeated refinancing, excessive fees, balloon payments and other abusive practices.

South Carolina borrowers lose an estimated \$107 million a year to predatory lenders, according to a study released last year by the Coalition for Responsible Lending in Durham, N.C. A strong anti-predatory lending law would help stop this legalized fleecing of our state's most vulnerable borrowers. That is what has happened in North Carolina, whose law the S.C. bills are modeled after. The Coalition for Responsible Lending estimates North Carolina's law, adopted in 1999, saved borrowers about \$100 million in 2000 without interrupting the free flow of credit.

Conference committee members -- Sens. Wes Hayes, Darrell Jackson and Linda Short and Reps. Harry Cato, Joe Neal and Converse Chellis -- ought to want the same for South Carolina's consumers. The three senators and Rep. Neal have made it clear they do. It is not clear yet, however, whether Reps. Cato and Chellis will stand up for consumers.

The proposed legislation is not aimed at reputable lenders who play fair. It is not aimed at legitimate subprime lenders, who understandably charge higher rates to people who are a higher risk. It is meant to stop the small percentage of lenders who willfully take advantage of unsophisticated borrowers.

Bankers, title lenders and mortgage brokers are working together in opposition to this legislation. It is troubling that even legitimate lenders are working against efforts to stop exploitation of the poor. It seems they would favor legislation calling for lenders to be responsible and accountable.

Even with these proposed regulations, lenders will still make huge profits. Conference committee

members must remember that when they meet today to debate what protections should be put into place to help consumers. The least they should do is give poor and elderly borrowers a fighting chance at paying off their debt and keeping their homes and cars.

© 2003 The State and wire service sources. All Rights Reserved.
<http://www.thestate.com>



Posted on Mon, May. 12, 2003

DHEC says no apparent health hazards at former plant site

Associated Press

CHARLESTON, S.C. - There are no apparent health hazards currently at the site of the old Macalloy Corp. steel mill in North Charleston, a study by the state Department of Health and Environmental Control says.

The department, under a cooperative agreement with the Agency for Toxic Substances and Disease Registry, evaluated potential health risks at the site, DHEC said.

The study addressed the types and levels of environmental contamination, whether people are being or have been exposed and whether they may affect people. The draft public health assessment is available for review by the public and comments must be submitted to DHEC in writing before June 9.

For 50 years, Macalloy produced a super-hard steel used by the U.S. Defense Department. The company shut down in July 1998 after years of paying fines and battling federal and state environmental regulators.

Two years ago, the company agreed to pay \$1.2 million for violating what the company said were mainly technical violations of the Clean Water Act and Pollution Control Act.

In 1999, the Environmental Protection Agency sued Macalloy for dumping toxic levels of cadmium, chromium, lead, zinc and mercury at its 125-acre plant on Shipyard Creek, a tributary of the Cooper River. The company denied the allegations.

© 2003 AP Wire and wire service sources. All Rights Reserved.
<http://www.thestate.com>



Posted on Tue, May. 13, 2003

FOX to air second S.C. Democrat debate

SHREVEPORT, La. - The South Carolina Business and Industry Political Education Committee will sponsor a Democratic presidential debate in January.

It will be televised Jan. 29 -- just five days before South Carolina's first-in-the-South presidential primary on Feb. 3.

Fox News Channel holds the television TV rights, and Brit Hume, the network's managing editor and chief Washington correspondent, will moderate.

The debate will be broadcast live from 9 to 10:30 p.m. from the Seawell's Banquet and Reception Center.

BIPEC, a nonprofit, nonpartisan educational association, provides legislative and political analysis to the business community in South Carolina.

The Fox News Channel reaches more than 81 million homes.

Midlands Tech Graduates Record Class

Midlands Technical College celebrated its largest commencement ceremony Monday at the Carolina Coliseum.

About 1,900 graduates received degrees at the ceremony. U.S. Rep. Joe Wilson delivered the commencement address.

Wilson is a member of the House Armed Services Committee and is a colonel in the S.C. National Guard.

Midlands Tech, founded in 1969, enrolls about 10,000 students and offers 90 programs on five campuses. The school's Center of Excellence for Technology opened last month in Northeast Richland.

"We teach our students to be competitive, persevering and hard working," said Midlands Tech president Barry Russell. "Their efforts are applauded and congratulated."

Woman's body is found in Lake Marion

A Cayce woman was found floating Monday in Lake Marion, and divers spent Monday looking for her husband.

Betty Watts, 65, 2135 Frink St., was found about 10 a.m. Monday in about 30 feet of water, said Robert McCullough, spokesman for the state Department of Natural Resources.

Today, divers are to resume their search for Watts' husband, William Howell Watts, 68'

No one from the Clarendon County coroner's office could be reached to answer questions about Watts' cause of death.

Watts and her husband were reported missing about 9 p.m. Sunday after they failed to come home from a fishing trip.

The Wattses arrived about 10 a.m. Sunday at Mill Creek Marina and Campground in Vance, McCullough said. They were supposed to come home at 2 p.m. Relatives searched until 9 p.m. before calling DNR.

Rescuers from DNR and the State Law Enforcement Division spent the night searching for the Wattses, McCullough said. Sgt. Tim Baxley found Betty Watts near the couple's bass boat.

Watts wasn't wearing a life jacket. Officials didn't find anything wrong with the boat, McCullough said.

Two charged in S.C. woman's slaying

Two Texans await extradition after they were arrested and charged with killing a South Carolina woman in northwest Louisiana.

The body of Melissa Atkinson, 29, of Simpsonville, was found along a roadway May 7 in Greenwood. Investigators used fingerprints on Saturday to identify the body as Atkinson's.

Atkinson was found wearing a class ring belonging to a woman named Megan, and authorities traced the ring to a small town in Texas.

Arrested Thursday in Fort Worth, Texas, were David Ray Wammack, 26, described as homeless, and Dirk C. Little, 23, of Brownwood, Texas. They were pulled over in a pickup truck owned by the woman named Megan after Caddo Parish authorities notified a national crime information network about Atkinson's killing.

Wammack and Little were in a jail in Tarrant County on Monday, charged with second-degree murder, Chadwick said.

Investigators learned Atkinson was traveling with the men when the three became involved in an altercation. Results of an autopsy on Atkinson's body are pending, Chadwick said.